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New Europort facility, one of the most modern grain elevator operations in the world, opened last October in Rotterdam.

U.S. Soybean, Product Exports Gain in Mideast, North Africa

By Frank J. Piason

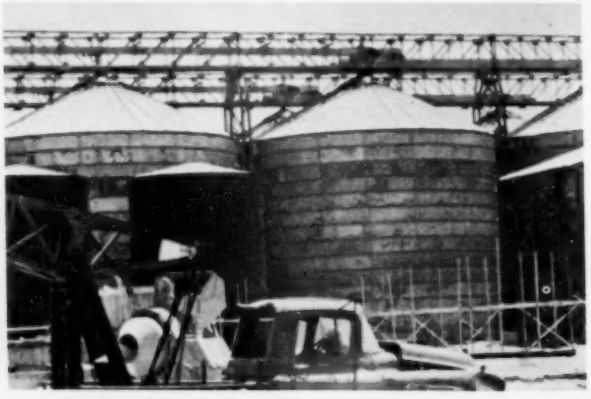
One of the brightest new markets for U.S. soybeans and soybean products is the Middle East and North Africa, where petroleum money is fueling rapid takeoff in poultry and livestock industries. This first of two articles on the region takes a look at recent U.S. soybean and product sales and market development efforts there. The second, to appear in a forthcoming issue, will examine sales and potentials in individual markets.

Exports of U.S. soybeans and products to the Middle East and North Africa topped $100 million for the first time last year, nearly doubling the reduced shipments of 1976 in an upward thrust that should carry much further in years to come.

This is a highly competitive market, however, with other oilseed and product exporters—Brazil in particular but also West European countries—vying for a larger slice of the pie. (It should be noted that shipments of oil—and to some extent meal—from European Community countries are often from U.S. soybeans.)

How aggressively the United States meets that competition will determine the extent of future growth in this market, which potentially could match the imports of some leading outlets for U.S. soybeans and products.

With this in mind, the Foreign Agricultural Service (FAS) and one of its industry cooperators in overseas market development, the American Soybean Association (ASA), are stepping up trade servicing and product promotion in the region. Such activities include participating in U.S. trade shows; providing technical assistance to oilseed crushers, vegetable oil processors, and feed manufacturers; and demonstrating through seminars and publications the advantages of using soy protein as a meat extender and protein supplement in food products.



Top, pruning olive trees in Morocco. Bottom, Egyptian oilseed storage facilities.

At $100.6 million, U.S. exports of soybeans and products to the Middle East and North Africa rose 81 percent last year from the $55.6 million worth shipped in 1976. That year, sales had fallen sharply from the previous record of $86 million in 1975 as a result of reduced soybean oil shipments to Iran and a drastic falloff in exports of soybeans to Lebanon, owing to the outbreak of civil war there.

While earnings from these exports are dwarfed by the $5.8 billion worth of U.S. soybeans and products shipped worldwide during 1977, a number of factors are working in favor of future gains. The region not only has the large population needed to generate demand —171 million people in 19 selected countries[1]—but also rapidly increasing incomes and widespread interest in improving national diets. Included in national goals are ambitious plans for expanding livestock and poultry industries, which will need increasing amounts

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[1] **These countries include Iran, Egypt, Morocco, Libya, Lebanon, Saudi Arabia, Iraq, Algeria, Tunisia, Kuwait, Jordan, Bahrain, Yemen, Sudan, United Arab Emirates, Oman, Syria, South Yemen, and Qatar. Israel—a major U.S. soybean and products market in the Middle East—is not covered as it is included with West European countries for market development programs.**

of protein meal to satisfy feed needs.

Yet U.S. exports of soybeans and products accounted for only 6 percent of record U.S. agricultural exports of $1.6 billion to the region last year, compared with their 26 percent of total U.S. agricultural exports. This share already has climbed from the 1 percent recorded in 1975 and appears to have considerable room for growth, given the worldwide figure and the high percentage already achieved in the region for Lebanon (17 percent), Morocco (18 percent), and Libya (30 percent).

In terms of population and gross national product, the market likewise displays tremendous potential when sales to an equivalent-size developed region are considered. For instance, West Germany, France, and Italy —with a combined population of about 171 million also—last year took $1.1 billion worth of U.S. soybeans and products, or nearly 11 times U.S. shipments to the Middle East and North Africa.

These latter nations, of course, are much less developed than those of Western Europe. However, gross national products in petróleum producers such as Saudi Arabia and Iran are projected to increase very rapidly, and some of the petroleum income is being funneled into agricultural development and diet improvement.

Among **soybean** sale highlights last year were impressive strength in exports to Morocco and the opening of new markets in Egypt and Libya. Since the leading U.S. competitor, Brazil, stresses crushing of soybeans at home and exports of the resulting meal and oil, emphasis is being placed on boosting U.S. exports of soybeans as such.

U.S. Exports of Soybeans and Products [1] to the Middle East and North Africa, Calendar 1975-77

[In thousands of U.S. dollars]

Destination	1975	1976	1977
Iran	56,774	32,844	44,328
Egypt	3,301	5,408	25,428
Morocco	1,415	6,621	12,587
Libya	1	0	4,996
Lebanon	6,230	3,209	4,734
Saudi Arabia	2,418	2,394	2,613
Iraq	0	457	2,391
Algeria	631	656	1,382
Tunisia	8,207	154	1,358
Kuwait	2,615	435	356
Jordan	648	116	152
Bahrain	56	22	98
Yemen	56	200	72
Sudan	1,390	96	52
United Arab Emirates	83	38	14
Oman	19	0	1
Syria	1,825	2,995	0
South Yemen	6	0	0
Total	85,675	55,645	100,566

[1] Includes soybeans, soybean meal, soybean oil, soy protein, vegetable protein, soy flour, and nondefatted meal.

These exports currently account for only about a fifth of total U.S. shipments of soybeans and products to the region, but could rise sharply in coming years in line with growth in crushing facilities there. Involving U.S. crushers in joint ventures and U.S. machinery manufacturers as suppliers will help accelerate this expansion, as will the provision of technical advice on operating the plants.

Many countries of the region already have crushing plants either under construction or on the drawing board, as they see the cost and quality advantages of importing soybeans in bulk, rather than as bagged and drummed products. In the meantime, most of the existing crushing capacity is being used for domestic cottonseed or sesame rather than for imported soybeans.

Competition in the market from domestic soybeans has been limited largely to Iran, where 86,000 tons were produced in 1977—down 16 percent from that of 1976. Egypt produced 26,000 tons that year also and plans to increase production. However, Egypt's limited arable land area, plus its need for basic staples, such as bread, and export earners, such as cotton, probably will limit soybean production mainly to second cropping.

Morocco, Syria, and Sudan have experimented with small plantings of a few hundred hectares but offer no great potential, given the relative advantages of alternative crops.

Imports, then, will make up the bulk of soybean crushings, and the amount of soybeans purchased will depend directly on crushing capacity.

Soybean meal exports—also accounting for about one-fifth of U.S. exports of soybeans and products to the region—included sharp gains for the second consecutive year in sales to Egypt and Saudi Arabia and penetration for the first time of the Iraqi market.

A major market development need in this area is to acquaint feed manufacturers with the value of soybean meal, especially as an ingredient in poultry feed. Feeding of the other principal nonruminant, hogs, is not very promising. Minority populations of Christians eat pork, especially in North Africa, but Moslems make up the vast majority of the populations and for them pork consumption is prohibited.

Some sheep feeding is envisioned, especially in the more advanced economy of Iran and where large investments are being made in agriculture, as in Sudan. In addition, joint ASA-U.S. Feed Grain Council seminars on this subject are planned in Syria and other countries.

For these ruminants, as well as dairy and beef cattle, soybean meal is an excellent protein source but competes with other oilseed meals high in fiber content and with urea. These alternatives are often cheaper by volume than soybean meal, although not as protein efficient.

But at present, poultry feeding is the main focus, as ambitious plans are formulated to raise poultry and egg production. In support of these plans—and to overcome the still-low recognition of the value of soybean meal in commercial feeds—several market development activities have been undertaken. For instance:

- Teams of poultry nutritionists and feed ingredient buyers have been brought to the United States to study feed uses and inspect integrated poultry operations.
- FAS/ASA has sponsored a series of seminars in the region on poultry feeding, drawing on the expertise of both U.S. and Middle Eastern poultry nutritionists. Such conferences have been held so far in Syria, Jordan, Egypt, Iraq, and Iran, directly reaching hundreds of key decisionmakers, as well as agricultural college faculty, students, and industry producers and managers.

• Information is being made available in publications published in English, Arabic, and Farsi and distributed in the same five countries. Additional distribution is planned soon in Morocco, Algeria, and Saudi Arabia and eventually in all countries of the region.

Among specific needs being met is help with feed formulation, production of quality soybean meal, and purchasing of soybean meal —the latter in terms of both quality and financing.

Concurrently, national governments and private groups are investing in physical plants that offer economies of scale. Bringing these plants to capacity has not been easy, however, especially since pricing policies in many countries reflect social policy rather than market forces. Moreover, technological and managerial input has been insufficient in some cases to make a sophisticated enterprise function efficiently.

In one country, for example, Newcastle disease wiped out 50 percent of the poultry population on modernized farms. In another, private interests that had invested in poultry farms could not turn a profit owing to retail price ceilings on broilers and eggs.

Recognition of the self-defeating nature of these restrictions appears to be growing, however, and new approaches to subsidizing consumption without taking away incentives to produce are being considered.

As is often the case in emerging markets for soybeans and products, **soybean oil** had the biggest share of U.S. trade in 1975-77—about three-fifths of the total export—with Iran the largest market. Some exports also go to North Africa.

Soybean oil's large export share has come in spite of the fact that most consumers in the region are not familiar with it; most countries have sizable outturns of oil from domestic crops, including olives, sesameseed, and cottonseed; and use of animal fat in shortenings still is high.

But as living standards rise and urbanization continues apace, consumers in these countries will get increased exposure to soybean oil; in some urban areas there already has been a shift from animal fat-based products to those made from vegetable oils.

The more technical uses of soybean oil for industrial products—paints, varnishes, resins, plastics, or fatty acids—are not yet of much importance.

There is considerable room for boosting quantity and quality of vegetable oils sold in the region. One way is to encourage use of liquid, particularly hydogenated soy

U.S. Exports of Soybean Oil to the Middle East and North Africa, 1975-77

Destination	Quantity			Value		
	1975	1976	1977	1975	1976	1977
	Metric tons	*Metric tons*	*Metric tons*	*1,000 dol.*	*1,000 dol.*	*1,000 dol.*
Iran	68,035	46,806	49,784	56,402	24,987	32,042
Morocco	1,386	5,676	5,355	1,408	2,689	3,171
Egypt	1,889	1,147	4,690	2,201	814	2,891
Tunisia	10,366	179	2,523	8,207	154	1,358
Lebanon	78	0	735	83	0	532
Algeria	510	1,020	510	631	656	388
Saudi Arabia	1,483	1,476	402	1,738	1,360	455
Jordan	148	150	217	160	116	152
Yemen	45	87	108	56	71	72
Sudan	1,322	82	73	1,337	91	52
United Arab Emirates	68	45	12	83	38	14
Bahrain	53	23	6	56	22	8
Kuwait	224	32	2	81	33	3
Oman	13	0	1	19	0	1
Syria	216	5,561	0	187	2,903	0
South Yemen	5	0	0	6	0	0
Total	85,841	62,284	64,418	72,655	33,934	41,139

U.S. Exports of Soybeans to the Middle East and North Africa, 1975-77

Destination	Quantity			Value		
	1975	1976	1977	1975	1976	1977
	Metric tons	*Metric tons*	*Metric tons*	*1,000 dol.*	*1,000 dol.*	*1,000 dol.*
Egypt	0	0	42,032	0	0	13,212
Morocco	15	16,214	38,509	7	3,932	9,407
Libya	0	0	22,001	0	0	4,996
Lebanon	21,699	8,750	16,506	4,544	3,209	3,582
Iran	387	0	52	241	0	11
Syria	0	248	0	0	92	0
Sudan	0	18	0	0	5	0
Kuwait	8,960	0	0	2,006	0	0
Total	31,061	25,230	119,100	6,798	7,238	31,208

U.S. Exports of Soybean Cake and Meal to the Middle East and North Africa, 1975-77

Destination	Quantity			Value		
	1975	1976	1977	1975	1976	1977
	Metric tons	*Metric tons*	*Metric tons*	*1,000 dol.*	*1,000 dol.*	*1,000 dol.*
Iran	48	42,784	56,082	34	7,789	12,275
Egypt	5,528	15,658	25,122	1,100	4,594	9,309
Iraq	0	982	10,000	0	268	2,395
Saudi Arabia	1,100	3,100	8,548	177	671	2,158
Algeria	0	0	4,627	0	0	994
Jordan	0	0	2,135	0	0	488
Lebanon	11,130	0	1,999	1,602	0	620
Kuwait	2,588	2,049	1,356	528	402	336
Bahrain	0	0	350	0	0	90
Syria	1,599	0	0	240	0	0
Total	21,993	64,573	110,219	3,681	13,724	28,665

oil, properly refined. Another is to promote soy oil use in vegetable shortening production.

FAS/ASA has assisted in such efforts by sending an oil technologist to Iran, Syria, Iraq, and Egypt in 1977 and 1978, and planning additional visits to those countries and North Africa. In one crushing plant visited, the manager said that the advice given would increase the efficiency of his oil refining by 50 percent. In another country, in 1977, a technician aided in the selection of efficient equipment to handle soy oil. Some changes in investment policy may result from these consultations.

In all countries visited, requests were voiced for more trade servicing.

In contrast to the other products, **soy protein** and soy flour still have limited acceptance in the region. Yet they enjoy a strong potential as ingredients in food products, and U.S. companies are sizing up the possibilities. Initial surveys and the visit of a soy protein technologist have taken place in Iran, Jordan, Iraq, Syria.

School lunch programs and military rations show promise of being able to use this relatively cheap protein source.

To develop these possibilities, ASA has scheduled visits by a nutritionist who would actually prepare the foods and work in kitchens alongside local chefs and nutritionists.

In addition, a high-level Egyptian policy team has visited the United States to study ways of adapting soy protein to domestic diets and to speak directly with possible investors. Similar team visits from other countries may take place.

Middle East food shows also are being used as forums for soy oil and protein products. □

Drought Cuts Brazil's Soybean Production and Export Prospects

A spate of freak weather—capped by drought during the critical maturation period—has reduced Brazil's soybean crop for the first time in 11 years and dimmed its soybean export prospects. In fact, the country recently has approved the import of soybeans from neighboring countries to meet needs of an expanding domestic crushing industry. However, prices under current tax controls would not make large-scale imports economical.

The setback is not expected to dampen Brazilian interest in soybeans, however. Many producers have geared their entire operations to this "wonder crop" and are not inclined to switch to alternatives such as corn and grain sorghum. Moreover, the Government—pressed by reduced foreign exchange earnings thus far this year from its No. 1 export, coffee, and now also possibly from soybeans—can be expected to lend greater support to soybean expansion in 1979.

According to Leon G. Mears, U.S. Agricultural Attaché, Brasília, and Edmond Missiaen, Agricultural Officer, São Paulo, the 1978 crop now being harvested may be 3.0 million tons below the early-season forecast of 13 million tons and 1.5-2.0 million tons under last year's crop.

Mears added that—with only about 30 percent of the crop harvested (as of late March), this is not a hard and fast figure, and final outcome could change, depending on the weather in the next few weeks.

"There is time left for some soybeans in the very south of Brazil to recoup, if they get adequate rain," he said. "But the maximum under good weather conditions is 10.5 million tons."

The expected decline comes in spite of an 8 percent increase in planted area, reflecting unusually severe weather throughout the important soybean-growing areas of Paraná, Rio Grande do Sul, parts of São Paulo, Mato Grosso, and Santa Catarina.

Initially, dry weather delayed planting, which normally extends from October into December. "Each week you delay planting beyond the prime planting time, you're lowering the potential yield of soybeans," said Missiaen.

After planting, torrential rains washed out some of the fields, which had to be replanted, delaying the crop still further.

Later, there was the problem of early flowering. One reason given for this was the extreme heat, especially in Paraná—the No. 2 soybean-producing State next to Rio Grande do Sul. Here, according to Missiaen, "temperatures were substantially above normal throughout the early part of the growing period." The result was a smaller plant, with the pods growing closer to the ground and not as easily harvested.

Then, from about mid-December on in Paraná and Rio Grande do Sul, unusually dry weather developed. During the first week of January, sources in western Paraná told Missiaen about going 20 to 30 days without rain. When he returned some 6 weeks later, some of these sources still were reporting no rain.

While some relief did occur during January in much of the soybean area, dry weather returned in early February and this time was even more widespread. "Not only was it not raining in areas that had drought before — Rio Grande do Sul and western Paraná — but drought also hit in northern Paraná, São Paulo, and southern Mato Grosso. In other words, virtually all of southern Brazil was affected," Missiaen said.

Another negative factor was a shortage of quality seeds. Much of the supply from the 1977 crop was of low germination quality—60 percent germination or less, compared with the normal 70 percent. Because of the drought, this may be a problem again in 1979 and Mears speculated that the Brazilians might consider importing seed.

In addition to reducing yields, this season's capricious weather has created bean quality problems. Forced maturation has resulted in beans that are fully formed but still green. Missiaen ventured that 20-40 percent of the early harvested beans in Paraná may be so affected, while some beans are shriveled or unusually small.

Despite continued abundance of soybean products in the United States, world soybean prices have been going up for the last several weeks partially in reaction to Brazil's anticipated short-

By Beverly Horsley, Associate Editor, *Foreign Agriculture*.

fall. As of late March, Chicago soybean prices were around $6.75 per bushel, compared with $5.90 3 months ago. Mears attributes this upward thrust not only to the drought, but to other factors such as increased feeding of soybean meal in several countries and continued firm demand for soybean oil.

He also sees Brazil's exports of soybeans being affected more than the anticipated 15 percent cut in production as a result of increased domestic demand for soybeans and products.

Even before the news of a crop setback, export earnings from soybeans and products had been expected to fall to around $1.7 billion in calendar 1978 from $2.1 billion in 1977. Now, due to lower output and assuming that world prices do not increase sharply, earnings could come in at $1.5 billion or less.

Over the long run, Brazil can be expected to continue to expand exports of soybean oil and meal as a result of increased crushing capacity now coming on stream. That capacity already totals about 12.5 million tons and is seen rising to 15 million during the next 2 years.

"This is significant for the United States," said Mears, "in that Brazil is already the world's largest exporter of soybean meal, with exports last year of about 5.4 million tons against 4.2 million for the United States, and Brazil comes close to U.S. exports of about 700,000 tons of oil." Mears explained that the change is causing some problems within the United States because crushing facilities here also are operating below capacity.

Looking ahead to next season, Mears and Missiaen see further growth in Brazil's soybean area. "Brazilian soybean farmers are getting locked into soybeans, since now they don't have alternative crops," said Missiaen.

Mechanized corn is expected to be a viable alternative to soybeans in the future, although over 90 percent of the crop still is handpicked. But so far appropriate varieties are not available, with those used uneven in size and therefore not suitable for mechanical harvesting.

In one area where mechanized grain sorghum could be a strong alternative to soybeans, Missiaen found that a farmer cooperative had reduced plantings by some 20,000 hectares to only 3,000-5,000 because of low prices, lack of buyers, disease problems, and other adverse factors. Conversely, soybean area had grown about 20,000 hectares.

The Brazilian Government likewise is expected to stress soybean production next season, in part because of the expansion among crushers, many of which could face financial difficulty if Brazilian production does not increase. In addition, the Government faces balance of payment problems because of the lower world prices for coffee and cocoa and may attempt to compensate by boosting the minimum price for soybeans and offering attractive financing terms.

What all this will mean in terms of exports, however, is hard to gage, since domestic consumption of Brazilian meal and oil is increasing in response to rising incomes and resulting increases in consumption of poultry, pork, and other meats and vegetable oil as well. Mears said that consumption of oil is going up by 8-10 percent a year, and that of meal, even faster. Little letup is in sight given the income growth expected in the next few years. □

World Food Prices: Slight Rises Reported In 13 of 16 Countries

Food price indexes (FPI's) issued by the governments of 13 countries in January showed advances from month-earlier levels ranging from 0.3 percent in Denmark to 10 percent in Argentina, the latter representing a relatively modest increase from the previous rate. Most of the increases were less than 2 percent.

However, the rate of increase picked up slightly in most of these countries during the 30-day period, ending—at least temporarily—the decelerating uptrend that prevailed for most of 1977.

By Sidonia R. DiCostanzo, Special Projects Division, FAS.

Monthly FPI's for 16 selected countries are reported

Food Price Index Changes in

Country	Latest month	Index 1970=100	P
Argentina	Jan.	30,260.2	
Australia	Jan.	205.9	
Belgium	Jan.	175.6	
Brazil	Jan.	685.5	
Canada	Jan.	195.2	
Denmark	Jan.	214.4	
France	Jan.	206.2	
Germany	Jan.	144.3	
Italy	Dec.	254.5	
Japan	Jan.	210.4	
Mexico	Jan.	289.8	
Netherlands	Nov.	165.3	
South Africa	Dec.	214.6	
Sweden	Jan.	209.2	
United Kingdom	Jan.	303.1	
United States	Jan.	172.5	

[1] Based on official price indexes.

FAS Survey of Retail Food

[U.S. dollars per kg [1] or u

City	Steak, sirloin, boneless	Roast, chuck, boneless	Pork chops	Roast, pork, boneless	Ham, canned	Bacon, sliced, pkgd.	Broilers, whole	E d
Bonn	12.80	6.98	6.51	10.86	(2)	8.53	2.24	1
Brasilia	2.10	1.84	3.08	6.74	6.13	(2)	1.32	
Brussels	11.54	6.30	5.72	5.72	8.15	4.77	2.97	1
Buenos Aires	1.21	.70	1.48	(2)	(2)	3.85	1.04	
Canberra	3.70	2.23	5.23	4.01	5.66	5.42	2.26	1
Copenhagen	14.08	6.13	7.77	8.14	6.51	6.73	2.59	1
London	8.30	4.24	4.19	3.55	3.94	5.14	1.54	1
Mexico City	2.33	2.28	2.47	2.91	(2)	2.71	1.67	
Ottawa	4.69	2.33	5.11	4.69	4.99	3.69	1.76	
Paris	7.91	4.48	4.89	5.63	6.85	8.99	3.16	1
Pretoria	3.62	3.27	2.62	3.08	4.02	3.06	1.15	
Rome	8.23	7.06	4.70	4.92	5.10	5.06	2.66	1
Stockholm	12.52	7.71	6.07	10.59	7.43	7.27	3.46	1
The Hague	11.10	6.49	6.03	7.19	5.99	8.78	2.21	1
Tokyo	34.09	20.40	9.82	8.73	12.36	8.19	3.06	1
Washington	4.23	3.51	4.45	3.22	5.91	4.01	1.19	
Median	8.07	4.36	5.00	5.63	5.99	5.14	2.23	1

[1] 1 kilogram=2.2046 pounds; 1 liter=1.0567 quarts. [2] Not available. Source: U.S. Agricultu

on a bimonthly basis by U.S. Agricultural Attachés (January FPI's for three countries were not available). At the same time, the Attachés report prevailing prices for selected food items in the capitals to which they are assigned.

Food prices shopped on March 1 generally reflected seasonal advances over price levels of January 4, the date of the previous survey.

In Brussels, strengthened market prices for cattle and hogs resulted in record-high retail prices for all beef and pork cuts in the survey. Major increases were for bacon (up 9 percent), pork loin and chops (up 3 and 4 percent, respectively), and sirloin steak (up 2.3 percent).

London's red-meat prices —particularly those for beef —were sharply higher on March 1 than on January 4. Prices for fresh pork also rose, but heavy shipments of bacon and processed pork from Denmark moderated price advances.

In Ottawa, pork prices were higher than in the previous survey. Higher beef prices may be in the offing, as the stable retail beef prices of recent weeks have not reflected strengthening market prices for slaughter cattle.

Rome's beef prices have been steady since September 1977.

In The Hague, both beef and pork prices have been practically unchanged since July 1977.

A smaller domestic supply of broilers in Brussels pushed prices up by 5.7 percent. Egg prices declined seasonally by 4 percent.

In Mexico City, egg prices have dropped, following the Government's decision to raise the ceiling price for eggs, which has had the effect of inducing suppliers to produce and market larger quantities.

Broiler prices in The Hague were slightly lower than in early January because of reduced exports. However, good export demand for those meat products pushed eggs prices up.

In London, prices for domestic butter rose between early January and early March, but blended butter from other European Community countries and New Zealand was available in large quantities for the equivalent of only $2.02-$2.06 per kilogram.

Prices of milk, butter, and cheese were steady in The Hague. The low prices of margarine that were noted on January 4 ended at the close of January, and prices for this item are back to normal levels.

Prices for cooking oil in Brussels advanced sharply between the January and March survey dates, some by as much as 14 percent.

In Pretoria, prices for sugar and bread have risen in line with increases of 32 percent and 25 percent, respectively, authorized by the Government.

Rome's bread prices rose 7 percent between the two survey dates, reflecting higher wheat prices.

Onion prices in Brasília shot up by 186 percent between January 4 and March 1. The onion crop in Rio Grande do Sul is now estimated at 100,000 metric tons, far below the targeted harvest of 140,000 tons. The Government is considering imports of 10,000 tons of onions from Argentina.

Onion supplies in Brussels, on the other hand, are abundant, and prices on March 4 were 18 percent below the level of early January and about a third of the year-earlier price.

In France, heavy potato stocks kept prices low. □

s in Selected Countries [1]

Percent change from		
Prev. month	Three months	One Year
+10.0	+26.0	+160.6
+ .4	+ .1	+ 9.6
+ .5	+ 1.0	+ 3.1
+ 2.3	+ 8.1	+ 38.5
+ .8	+ 3.3	+ 14.9
+ .3	+ 1.2	+ 11.2
+ .7	+ 1.1	+ 11.2
+ .6	+ .8	+ 2.5
+ .7	+ 2.5	+ 15.2
+ 1.4	- 2.4	+ 3.3
+ 1.3	+ 3.4	+ 18.0
+ .1	+ .2	+ 4.2
+ .8	+ 2.6	+ 10.4
+ 3.3	+ 3.9	+ 16.7
+ .7	+ 2.0	+ 7.1
+ 1.0	+ 2.0	+ 8.1

ood Prices in Selected World Capitals, March 1, 1978

[1] or units as indicated, converted at current exchange rates]

rs, e	Eggs, dozen	Butter	Margarine	Cheese: Edam, Gouda, or Cheddar	Milk, whole, liter	Oil, cooking, liter	Tomatoes	Onions, Yellow	Potatoes	Apples	Oranges, dozen	Bread, white, pkgd.	Rice	Sugar
4	1.36	4.40	2.15	5.11	0.51	2.01	1.42	0.73	0.14	1.19	1.79	0.78	1.65	0.71
2	.73	2.69	1.28	3.89	.25	.89	.90	1.02	.35	1.65	.52	.73	.47	.37
7	1.60	4.73	2.01	5 69	.58	1.82	2.62	.29	.14	1.09	1.47	.98	1.15	1.02
4	.71	3.33	1.73	3.11	.21	1.48	.56	.28	.10	.59	1.23	.43	.69	.44
6	1.12	2.14	1.50	4.16	.46	1.60	1.48	.56	.27	.63	1.64	.87	.81	.39
9	1.76	3.58	1.88	6.33	.52	2.35	2.70	.95	.44	1.26	2.12	1.49	1.51	1.54
4	1.18	2.40	1.75	3.00	.41	1.58	1.71	.34	.26	1.50	1.75	.65	.90	.53
7	.71	2.84	1.49	7.03	.29	.92	.26	.26	.39	.88	.29	.49	.49	.26
6	.82	2.54	2.15	3.73	.51	1.11	1.62	.34	.16	1.16	1.74	.77	1.28	.45
5	1.54	3.30	1.14	4.01	.40	1.30	.95	.29	.12	1.04	1.45	1.85	1.18	.59
5	.69	1.76	1.44	1.90	.33	1.21	.75	.39	.36	.59	.88	.35	.92	.38
5	1.29	4.12	1.88	4.29	.46	1.00	1.18	.47	.29	.88	1.41	.71	1.29	.71
5	1.78	3.18	2.34	5.21	.43	4.71	3.67	.95	.51	1.30	1.80	1.96	1.35	.83
1	1.39	4.07	1.39	5.34	.48	1.53	1.84	.09	.12	.69	1.28	.79	1.06	.78
6	1.00	6.05	3.31	4.29	.85	1.91	2.90	.84	.97	1.37	5.99	1.23	1.26	1.01
9	.82	3.33	1.79	4.48	.54	1.84	1.59	.55	.55	.97	2.33	1.08	.97	.66
3	1.15	3.32	1.77	4.29	.46	1.56	1.54	.43	.28	1.07	1.56	.79	1.11	.63

ricultural Attachés.

Data Qualifications. Food price indexes, which reflect food price changes in general, are obtained from official government sources. They are based on local-currency prices, and are not directly affected by exchange rate fluctuations.

Food prices of selected commodities are obtained by U.S. Agricultural Attachés on the first Wednesday of every other month. Local currency prices are converted to U.S. prices on the basis of exchange rates on the date of compilation. Thus, shifts in exchange rates directly affect comparisons between time periods.

The objective of the survey is to reflect the level of prices in other countries of items normally purchased by U.S. consumers. Exact comparisons are not always possible, since quality and availability vary greatly among countries. An attempt is made to maintain consistency in the items and outlets sampled, but they are not necessarily representative of those in the reporting countries. □

DUTCH FARM IMPORTS FROM U.S. REACH NEW HIGH

Although the Dutch economic recovery began to stagnate last year, U.S. farm exports to the Netherlands rose sharply to record levels. The outlook for 1978 points to slower economic growth, modest gains in the export sector, and continued strong purchases of U.S. farm products.

Growth rate of the gross national product (GNP) now is trending down from 4.9 percent in 1976 to 3.0 in 1977 and a projected 2.5 in 1978. Optimism, however, is reflected in the inflation rate, down to 6.4 percent last year from 8.1 percent the year before, and improvement in unemployment, down from 5.7 percent in 1976 to 5.1 percent in 1977.

The Dutch economy is heavily oriented toward foreign trade with exports equivalent to about 40 percent of the GNP. Last year, the Dutch balance of trade registered an estimated $250 million deficit. Nonetheless, Dutch farm trade achieved a substantial surplus in 1977, although it fell below 1976's level. During January-October 1977, Dutch farm exports exceeded imports by $2.5 billion, about 17 percent below those in the corresponding 1976 period. Higher unit prices pushed the import bill up significantly while the value of exports increased moderately and volume dipped slightly.

Thus in 1977, it became increasingly evident that a turning point in the long uptrend for many vital Dutch farm exports may have been reached.

Relative to other West European countries, the economy of the Netherlands remains strong and Dutch agriculture is considered one of the most formidable in Europe. But despite steady progress in the postwar era, the Dutch are now confronted with prospects of lower economic growth rates and a possible slowdown in agricultural production and trade.

The combination of somnolent economies in other West European countries, the strong Dutch guilder (average 1977 exchange rate was US$0.4074), and rising production costs contributed to a serious erosion in the competitive position of Dutch agriculture.

If the Dutch are to turn the disappointing 1977 performance around, some of the tasks they face in 1978 are to increase exports (almost 80 percent of their farm exports go to the European Community), to develop new markets, and to lower feed costs, which represent about 60 percent of farm production costs.

Trade with the United States remained strong in 1977 and agricultural products accounted for almost 40 percent of this two-way trade. U.S. farm exports to the Netherlands in fiscal 1977 (October-September) totaled nearly $2.2 billion, not adjusted for transshipments. Traditionally, the Dutch market is the second or third most important destination for U.S. agricultural products. On the other hand, Dutch farm exports to the United States normally account for only about 3 percent of that country's total. For instance, these exports were only $278 million in 1976, resulting in a trade surplus of $1.6 billion in favor of the United States. However, when this figure is adjusted for Dutch reexports of U.S. farm products, the trade imbalance for the Dutch is somewhat less severe.

U.S. farm exports to the Netherlands rose 25 percent in fiscal 1977 (not adjusted for transshipments). Accounting for about three-fourths of the total were soybeans ($843 million), cake and meal ($127 million), feedgrains ($515 million), and other feedstuffs ($274 million). Increases were logged in U.S. exports of tallow and greases, variety meats, vegetables, tobacco, and hides and skins. However, wheat exports were off sharply and feedgrain exports declined slightly—but the latter was more than offset by larger exports of other feedstuffs, primarily corn gluten feed and citrus pulp.

Grain and feed. A small producer of grains, the Netherlands domestic output showed a drop from 1.14 million metric tons in 1976 to 1.12 million last year. Production of wheat, by far the most important crop, fell from 709,600 tons in 1976 to 661,200 tons in 1977. Production of barley increased 9 percent to 287,000 tons and rye by 14 percent to 74,000 tons while output of oats dipped 9 percent to 94,000 tons. Still, 1977's grain production was considered good in quantity but below par in quality. With near normal weather, another good crop is anticipated in 1978.

During the 1976/77 Dutch marketing year (August-July), feedgrain imports totaled 5.9 million tons (not adjusted for transshipments), with the United States being a major supplier. Imports of U.S. feedgrains rose 26 percent to 5.3 million tons, including 5.1 million tons of corn (up 42 percent).

During the first 4 months of the 1977/78 season, Dutch data show net feedgrains imports (adjusted for transshipments) were down 46 percent to about 1.6 million tons. Main reasons for this sharp drop were more direct shipments—especially to the United Kingdom—from overseas suppliers, lower feedgrain demand in surrounding EC countries because of good 1977 crops; and a significant reduction in the use of corn in Dutch hog and broiler feed rations in favor of wheat milling offals and tapioca. In light of these developments, Dutch feedgrain imports for 1977/78 may fall to 5.0-5.3 million tons, with the U.S. share slipping to 3.5-3.7 million tons.

In 1976/77 (July-June), Dutch wheat imports fell 51 percent to 1,231,000 tons, of which 631,000 tons came from the United States, compared with 978,000 tons in 1975/76. In contrast to the expected decline in feedgrain imports in 1977/78, Dutch wheat imports will be up because more high-quality wheat is needed to "blend up" locally produced wheat. For this purpose, Dutch mills are buying mainly high protein U.S. spring wheat. Total 1977/78 wheat imports are currently estimated at 1.5-

1.7 million tons and approximately 50 percent of these will come from the United States.

Oilseeds. Because domestic production is relatively small, the health of this sector is heavily dependent on both imports and exports. According to Dutch data (on a fat/oil basis) for January-November 1977, the import volume ran about 1 percent under 1976's at 1,205,477 tons, but value rose more than 23 percent to $937 million. Exports were down 3.5 percent in volume to 723,477 tons, but value was about 16 percent higher at $518 million. Thus, domestic retention jumped about 3 percent last year and occurred mainly in tallow and greases.

The United States benefited substantially from the significant rise in Dutch imports of tallow and greases. During January-November 1977, tallow and grease imports expanded 44 percent to 195,100 tons, of which 80,400 tons came from the United States—a gain of 111 percent from the 1976 level. Dutch imports of U.S. lard rose from 3,500 tons to 7,900 tons and those of soybean oil from zero to 5,400 tons. Imports of other U.S. vegetable oils, however, dipped from 14,500 tons to 13,800.

Poultry. Total poultry meat production in 1977 rose about 2 percent to 348,000 tons as imports increased about 1,000 tons to 17,000 and exports edged up slightly to about 256,000 tons. The poultry and egg sectors registered gains last year largely as a result of good volume exports of poultry meat to the Soviet Union. Deliveries to the USSR consisted of about 16,000 tons of whole frozen broilers and 2,400 tons of whole frozen chickens. Improvements in the egg sector were led by exports of almost 2.1 billion eggs to West Germany and 132.7 million eggs to Iran.

Prospects for 1978, especially during the year's first half, are not as bright because of increased competition from West German and British broilers in Mideastern markets, reduced demand for Dutch poultry in the West German market, and no indications of another large volume contract with the Soviets for delivery of poultry meat in early 1978.

Livestock. Last year saw marked improvements for the Dutch cattle sector stemming from good grass and roughage supplies and relatively low prices for feedstuffs. However, the 1978/79 price proposals of the EC Commission were disappointing to Dutch cattle farmers, who pointed out the 1.25 percent increase in the orientation and intervention price for slaughter cattle is out of line with production costs. EC livestock self-sufficiency has increased from 90.2 percent in 1970 to 97.8 in 1976 as EC producers responded to higher support prices.

The Dutch red-meat outturn advanced nearly 2 percent to 1.31 million tons in 1977. Beef and veal output declined 2 percent to 368,000 tons, but pork and bacon production rose 3 percent to 916,000 tons. Mutton output rose 1,000 tons to 17,000 last year, while the production of horsemeat jumped from 4,000 to 6,000 tons.

The Dutch pork industry was plagued by an outbreak of swine fever in 1977. Transportation restrictions and a temporary halt in exports caused a loss of about $10.6 million to the pork industry. Despite these problems, slaughter hog supplies increased about 6 percent last year and a similar increase is expected in 1978.

Dutch exports of meat, products, and livestock grew 1.5 percent to 760,914 tons, largely as a result of a sharp increase in exports of live slaughter hogs to West Germany and France. Total imports remained practically unchanged at about 187,000 tons.

U.S. imports of canned ham from the Netherlands fell 60 percent to 14,901 tons in 1977, and the outlook for 1978 calls for another decrease.

The U.S. share of the Dutch market for variety meats advanced 2 percent in 1977 to 63 percent, amounting to 18,886 tons. The U.S. share of Dutch horsemeat imports rose even more sharply, increasing from 46 percent in 1976 to 54 percent in 1977, and totaling 20,284 tons last year.

Dairy. Overall, 1977 was a better year for dairy farmers than drought year 1976. Higher demand—especially for exports—led to spectacular increases in production of whole dry milk, cheese, and canned milk, which, in turn, enabled the Dutch dairy industry to divert less milk into butter and nonfat dry milk (NFDM).

Cheese production jumped 8 percent to 404,000 tons, while exports increased 9,000 tons to 255,000. Output of whole and partially skimmed dry milk rose 22 percent to 32,000 tons as exports rocketed 41 percent to 173,000 tons. Production of condensed/evaporated milk expanded 5 percent to 520,000 tons while exports increased 6 percent to 395,000 tons.

Milk production rose slightly to 10.6 million tons and a bigger increase of 3.5 percent appears likely in 1978. Thus, the dairy industry faces dim prospects for 1978 as EC milk production also is expected to rise about 2-3 percent. Marketing problems—and eventual lower financial returns—are expected for almost all of Dutch dairy products, except whole dry milk.

Fruit and vegetables. Because of the 1976 drought, vegetable supplies at the beginning of 1977 were short of demand and stocks of canned vegetables were relatively low. Consequently, high prices triggered production increases that resulted in oversupplies, low prices, and large ending stocks.

The Dutch apple and pear market is bullish because of short crops in Western Europe. Unlike others in Western Europe, Dutch pear growers had a relatively good crop of 110,000 tons in 1977 and should benefit from increased demand and higher prices. As well, export prospects for U.S. apples, pears, and grapes to Western Europe are especially good for the 1977/78 season.

Dutch orange imports dropped 10 percent to 269,767 tons in 1976/77. Imports of U.S. oranges plunged 32 percent to 32,353 tons, but higher prices more than compensated for the decreased volume. □

Based on report from the Office of the U.S. Agricultural Attaché, The Hague.

Japan's Imports of U.S. Cotton Still High

While Japanese imports of U.S. raw cotton during 1977/78 (August-July) are not expected to repeat the large increase of last year, shipments will still be at high levels as Japan builds up stocks traders consider too low.

The Japanese Spinners Association (JSA) estimates total raw cotton imports during 1977/78 at 623,000 metric tons, down 6 percent from the 661,000 tons imported last marketing year. Unless textile activity rebounds, imports of U.S. cotton may slip to 225,000 tons, slightly below imports in 1976/77.

Although raw cotton imports during 1976/77 were down 5.7 percent from year-earlier levels, imports from the United States jumped 64.7 percent from 140,659 tons in 1975/76 to 231,665 tons in 1976/77.

The sharp increase in Japanese imports of U.S. cotton last year and the anticipated continuance of high U.S. imports this year are attributed to improved availability and competitive prices of U.S. cotton. In 1976/77, tighter supplies in other cotton-producing countries played a role as well.

In addition, as of August 1, 1977, the freight rate for cotton shipped from the gulf coast dropped from $100 per ton to $90 per ton. An Export-Import Bank loan will finance purchases of an estimated 300,000 bales (480 lb net).

Japan is the world's largest importer of cotton, and at times the U.S. best customer. Imports of U.S. cotton in 1976/77 accounted for 35 percent of total imports. During 1976/77, only cotton imports from the United States and Guatemala (41,178 tons—up 5.5 percent) registered gains over imports of a year earlier.

Cotton imports from the USSR (105,865 tons), Nicaragua (50,148 tons), Mexico (40,907 tons), and El Salvador (39,938 tons)—all leading cotton exporters to Japan—were below figures for 1975/76 imports.

Japanese cotton stocks at the end of marketing year 1977/78 are estimated at 198,000 tons—up 11 percent from 1976/77. Japanese cotton traders estimated total raw cotton consumption for this year will reach 2.7 million bales, with spinners' consumption placed at 2.4 million bales, assuming that the production cutback cartel begun in April 1977 continues through March 1978.

Japan's raw cotton stocks totaled 178,000 tons at the end of July 1977, down 16 percent from year-earlier levels, and equivalent to only 3.2 months' worth of consumption.

Consumption in 1976/77 stood at 616,000 tons, down 4 percent from the level during the previous year, and spinning consumption stood at 584,000 tons, down 3 percent.

The decline in raw cotton usage was attributed to sluggish demand, and was instrumental in leading cotton spinners to enter into the cartel arrangement, through which production is voluntarily reduced.

During the first three quarters of marketing year 1976/77, Japanese raw cotton prices followed relatively stable world prices. In May, however, world prices began to fall and Japanese prices also tended downward.

Stimulated by a steady domestic cotton yarn market for the first half of the marketing year, cotton yarn production was relatively high until December 1976. Imports of cotton goods also increased, and with demand weakening at year's end, cotton goods stocks reached a remarkable 920,000 bales.

As a result of these developments, cotton yarn quotations started falling in November. The JSA countered by forming the cartel to reduce output by 25 percent of December 1976's production. The cartel helped to strengthen yarn quotations in the middle of April 1977, but continued uncertainty and slack demand caused

Based on a report from the Office of the U.S. Agricultural Attaché, Tokyo.

Asian Flour Mills Expand To Meet Demand

Wheat products—such as bread, pastries, instant noodles, and other convenience foods—have been meeting with growing consumer approval in Southeast Asia and flour mills in the region are planning to expand their facilities, according to the Singapore Regional Office of Western Wheat Associates (WWA). Most flour mills in Thailand, Malaysia, Singapore, and Indonesia are operating at, or near, capacity, and new facilities are needed to meet rising demand.

Two of the three mills in Thailand are planning to increase production capacity by almost 50 percent, while in Malaysia, a new mill was built in the past 18 months and two others are planning to expand. In Singapore, a new mill began operation in 1977.

In Indonesia, where wheat flour consumption is growing at the phenomenal rate of 17 to 20 percent a year, the country's three flour mills will have to increase output of existing operations in the next 3 years or build new facilities.

To boost the use of U.S. wheat in the region, technicians of Western Wheat Associates, an FAS cooperator, have been introducing bakers there to the advantages of using U.S. Dark Northern Spring, Western White, and Hard Red Winter wheats.

Largely because of the success of these promotion programs, the U.S. share of imported wheat has risen in the last 5 years from 28 percent to 75 percent in Thailand; from 0.05 percent to 10 percent in Malaysia, a figure which could rise in 1979 to 30 percent; from 6 percent to 25 percent in Singapore; and from 11 percent in 1975 to 55 percent in Indonesia.

In U.S. fiscal 1977 (ending September 30), U.S. exports of wheat to Thailand were 64,200 tons; 47,100 tons to Malaysia, 43,900 tons to Singapore, and 416,700 tons to Indonesia. □

cotton yarn prices to sag in the latter part of May and slump even lower in June.

Japanese spinners are somewhat optimistic about the decline in raw cotton prices and the prospects for expansionary fiscal measures by the Government.

On the other hand, low-priced textiles form other Asian countries, a high rate of bankruptcies and unemployment within the textile industry, and the continuation of the spinning cartel temper the guarded optimism. The industry is faced with structural problems of the type that have plagued the U.S. and British textile industries over the past 25 years.

The Government of Japan continues to regard the problem of the Japanese textile industry as largely a structural one in nature, and therefore has minimized its market intervention.

However, the Government has decided to assist somewhat by extending long-term loans at favorable interest rates to members of the textile industry, including spinning, cotton and spun-rayon weaving, and knitting operations.

It has extended guarantees as well, so that commercial financing might be available. In addition, it has lent support to the cotton spinning industry's cartel arrangement aimed at reducing production in an effort to strengthen prices of cotton yarn.

Japanese Government officials indicate that the appreciation of the yen is likely to have an adverse effect on the price of cotton textiles, with foreign cotton and synthetic textiles possibly becoming even more competitive on the domestic market. At this point, economic recovery is considered to be indispensible to improving conditions facing the textile industry. □

Brazil's Rice Exports Set Record in 1977

After a decade of relatively low rice exports, Brazil made a strong reentry into the world rice market in 1977 with record shipments. Through November, Brazilian data showed rice exports of 372,000 metric tons, topping the previous high of 289,252 tons in 1966. In the interim 10 years, the highest export figure was 158,175 tons in 1968 and the yearly average was only 67,518 tons.

Brazil's sharp export gains in 1977 stemmed mainly from the large 1976 spring harvest of about 8.5 million tons (paddy basis) and the resulting stock build-up and an export subsidy of nearly $100 per ton.

The subsidy was essential, according to the Brazilian press, because the domestic price was higher than the world price.

Last year, the Soviet Union was Brazil's most important rice customer, with purchases of 80,000 tons, of which 70,173 tons had been shipped by the end of November—the latest available export data—when most of Brazil's 1977 shipments were completed. Statistics at that time showed that besides shipments to Madagascar (40,139 tons), Poland (19,867), and Hungary (13,112), large exports were going to the Caribbean countries of the Dominican Republic (38,014), Haiti (22,297), and Puerto Rico (12,517).

Exports through August consisted primarily of fully milled rice, which totaled 313,935 tons while broken rice amounted to 52,970 tons. Malaysia (14,250 tons), Singapore (13,334), and Gambia (12,065) were the leading purchasers of broken rice. □

Brazil: Rice Exports, Calendar 1965-77

[In metric tons]

Year	Exports
1965	236,788
1966	289,252
1967	31,882
1968	158,175
1969	70,178
1970	95,051
1971	148,829
1972	1,897
1973	33,432
1974	56,783
1975	2,600
1976	76,350
1977 [1]	400,000

1 Estimate.

CCC Export Credits Approved

USDA during February 13-March 12 approved applications under the CCC Export Credit Sales Program valued at about $219 million, according to the Office of the General Sales Manager.

A new $188-million line of credit was established for Poland to finance export sales of 205,000 metric tons of U.S. wheat valued at $24 million, 535,000 tons of feedgrains valued at $56 million, 8,575 tons of edible soy protein valued at $3 million, and $105 million worth of soybean meal, linseed meal, or cottonseed meal.

Romania is to be the recipient of about 100,000 tons of U.S. soybeans valued at $23 million.

A $3-million line of credit to the Dominican Republic is to finance export sale of about 12,000 tons of U.S. soybeans.

A new $850,000 line of credit for Norway was established to finance export sale of about 192 tons of U.S. tobacco.

A $4-million line of credit to Mexico is to finance sale of about 6,000 head of U.S. dairy breeding cattle, 500 head of beef breeding cattle, and 300 head of breeding swine.

Current interest rates for CCC export credit with repayment terms of 6 to 12 months are 7.25 percent with a U.S. bank and 8.25 percent with a foreign bank repayment guarantee. For longer terms than 12 months, the rates are 8 and 9 percent, respectively. □

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Wheat Export Sales Activity Continues at Moderate Pace

The Office of the General Sales Manager, USDA, reported the following U.S. export sales of key farm commodities for the week ending March 12 (based on reports from exporters unless otherwise noted):

Wheat: New sales activity (605,900 metric tons) continued at the moderate pace of the preceding 4 weeks. Iranian purchases of 310,000 tons of white wheat, Japanese purchases covering several wheat classes, and P.L. 480 sales to Bangladesh were the most significant developments. Numerous other countries added nominal quantities. Combined wheat and wheat-product exports and outstanding sales have nearly attained the marketing year's projected export level. Indonesia, Tunisia, and Iran made token purchases for MY (marketing year) 1978/79. Exports slowed after last week's modest recovery.

Corn: Sales activity continued to slump (485,400 tons), with Japan the only significant buyer. Nominal purchases were reported by many other countries, principally in Europe. The USSR increased its purchases for 1977/78 by 860,000 tons as reported under the daily system. Exports (879,500 tons) receded after the previous week's brief surge.

Sorghum: Activity registered some improvement as Poland purchased 75,100 tons (under CCC credit) and Switzerland, Taiwan, and unknown destinations added lesser amounts. Additional optional-origin sales were reported to Japan. Exports were the slowest in weeks.

Rice: Market interest was relatively quiet as the remaining 10,200 tons of Iraq's recent purchase was reported. Saudi Arabia was the only other customer of note. Exports were modest.

Soybeans: Sales (587,500 tons) continued strong as the European Community (EC), other West European buyers, and Japan increased purchases. The first sale and shipment of the marketing year was reported to Morocco (22,000 tons). Sales for 1978/79 rose by 53,900 tons, principally as a result of Japan's purchases. Shipments (477,600 tons) were large, with the EC, Japan, and Taiwan the major importers.

Soybean oil: Pakistan (under P.L. 480) and Peru (under CCC credit) were the principal buyers as sales totaled 9,400 tons. India, Iran, and Pakistan (P.L. 480) received the bulk of the 9,200 tons exported.

Cottonseed oil: Exports (14,500 tons), comprising one of the largest weeks of the marketing year, went to Iran, Egypt, and unknown destinations.

Cotton: Sales activity continued strong. MY 1977/78 sales increased by 79,300 running bales (RB), primarily to Japan (29,300 RB), Korea (20,000 RB), Bangladesh (10,000 RB), and the EC (11,700 RB). MY1978/79 sales of 60,000 RB went principally to Korea and Taiwan. Exports continued heavy. The 157,700 running bales for the week was the second largest this marketing year, with 78 percent going to Asia.

Barley, oats, and soybean cake and meal: No significant activity. □

Prepared by USDA's Office of the General Sales Manager. For additional information telephone (202) 447-9209.

Status of Selected U.S. Farm Exports to USSR, March 19, 1978

[In 1,000 metric tons]

	Wheat marketing year		Corn marketing year	Soybeans marketing year	Rice marketing year
	1977/78	1978/79	1977/78	1977/78	1977/78
Week ending 3/12/78					
Outstanding sales	1360.7	400.0	3970.5	152.5	—
Accumulated exports	2461.5	—	3739.0	47.5	42.7
Optional origin	—	—	—	—	—
Subtotal	3822.3	400.0	7709.5	200.0	42.7
Daily reports, 3/13-19/78					
U.S. origin	—	—	860.0	—	—
Optional origin	—	—	—	—	—
Subtotal	—	—	860.0	—	—
Grand total	[1] 3822.3	[1] 400.0	[1] 8569.5	200.0	42.7

[1] Sales under the second year of the U.S.-USSR Agreement (Oct. 1, 1977-Sept. 30, 1978): Wheat, 3,453,800 MT (3,053,800 for MY1977/78; 400,000 for MY1978/79). Corn, 8,569,500 MT.